

MaxImizing Insights

Workforce Trends, Forecasts and Solutions from Maximizing Insights

September 2003 ▶ Volume 2 Issue 9

Integrity is Top Competency.....for some!

Reality Check

Your workforce is aging. You are committed to hiring new young talent. Everyone agrees you need some new energy injected into your organization. But you've had it with Gen-Xers. You do, however, like what you see in the younger Generation Ys who are just entering the workforce.

But before you get too excited, you better know these facts about communicating with Gen Y:

- Bert and Ernie are old enough to be their parents.
- They have never been able to find the "return" key.
- Test-tube babies are now having their own babies.
- Michael Eisner has always been in charge of Disney.
- "Ctrl+Alt+Del" is as basic as "ABC."
- They would never leave their calling card on someone's desk.
- They have never been able to find the "return" key.
- An automatic is a weapon, not a transmission.

Source:
*Beloit College, Beloit, Wis. Survey of 2003
Freshmen*

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MaxImize

Companies hire for skill, but fire for attitude.....we measure attitude.

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Effectively leading today's organizations, team, and workforces goes beyond inspiration and drive. Effective leadership requires the ability to think analytically without getting bogged down in the details, making timely decisions without reacting impulsively, building consensus without compromising results, and getting people to want to do what you want them to do.

But what other skills do managers need today? Subscribers to an online newsletter, The Total View, were asked over the last few weeks this very question. And this is what they found.

When asked what percentage of their management staff were proficient in computer, Internet, and writing skills, only 59 percent felt their managers were 100 percent proficient in using the Internet including email.

Competence in basic computer skills including the use of Microsoft Office® programs fell to 28 percent at 100 proficiency and 43 percent at 75 proficiency. Writing skills fared a little better with 42 percent of our respondents feeling their management staff could write emails and memos with the best of them.

Considering that writing, computer and Internet skills are essential competencies for any top performer in management today, the respondents felt there is a lot of room for improvement in employee skills.

To review or download the complete results of the survey visit:

http://www.super-solutions.com/employee_competencies_survey.asp

Integrity was the hands-down winner in what respondents felt was the most essential competency of a top performing manager in a workforce competency survey conducted by Success Performance Solutions.

Being able to trust the manager, was an essential ingredient for top managerial performance for 64 percent of the respondents. But surprisingly the results were not unanimous with 10 percent or more feeling that integrity and ethics, another competency, was merely nice to have or not important at all.

"Walking the talk" and acting in line with the core values and beliefs of the organization was felt to be an essential competence held by only 58 percent of the respondents. And 13 percent felt that ethics was nice to have or not important at all.

According to our respondents, only 45 percent felt taking responsibility for his/her own mistakes or inefficiencies was essential for top management performance! More surprising was that 8 percent felt accountability was just a nice to have skill or was not important at all.

In addition, persistence, or following through especially when faced with adversity or challenges, was an essential skill requirement for only 40 percent of the respondents.

Interpersonal skills was selected by only 33 percent of the respondents as essential to top performance.

Leadership "blind spots" blamed for shuttle disaster and blackout

For the past decade NASA, the utility industry, and corporate America have reduced staff. Last month the Columbia Accident Investigation Board released its report on NASA's responsibility in the loss of the space shuttle Columbia.

NASA blamed the accident on foam that hit the shuttle's wing. The Board blamed NASA's culture made the catastrophe happen. WOW!

Although bottom line's have improved and productivity jumped by using fewer people to do more in nearly every business and organization in America, the question begs asking - at what cost to human lives and long-term profitability.

For example, to cut costs, NASA reduced its staff and contractor work force 68 percent from 1991 to 1997. As the report noted, "the program was operating too close to too many margins."

U.S. businesses have cut out nearly 9 million jobs. Bottom lines may have improved but customer service has suffered. These lapses have cost more dollars than can ever been saved by slashing payroll.

What is even scarier are the parallels of the Shuttle accident and the electricity blackout to the employee skill crisis in the United States. Is America headed for an employee productivity blackout?

While teachers struggle with basic computer skills, students are searching the Internet and emailing friends during class on their PDA devices. Matures and older baby boomers still struggle with blinking lights on VCRs while replacement workers communicate with Instant Messaging and take photos with mobile phones.

The skills gap is widening and shuttle disasters and blackouts may just be the first warning shots of the Perfect Labor Storm lurking on the horizon.

Pivotal Employees Make or Break the Bottom Line

Too often the CEO, business owner or a group of managers are given (or assume) are role of the *pivotal* players. And yet nearly half the profits of a business pass through a hire/fire/quit tunstile every day with a paycheck never to be heard from again. In many cases these hourly low wage employees are truly an organization's pivotal employees.

If you use grocery stores as an example, the cashiers, checkers and store managers are the employees who have the most direct contact with customers. Combined with distribution clerks and shelf stockers, whose work directly affects customer satisfaction rates, these two groups account for 60 percent of a typical grocery store's labor costs.

But turnover rates at US grocery stores exceed 30 percent. This translates into spending of upwards of \$200,000 per store a year or 40 percent of an average chain store's net income on recruitment, training and overtime.

Pivotal employees are the most value assets of a company - and they have feet unlike other hard assets that can be bolted to the floor and bar coded for security. While organizations guard equipment and inventory assets like hawks, foxes are left guarding the henhouses of talent.

The first step in understanding how to reign in runaway labor costs is to calculate what the cost of turnover is in the first place. In other words, for every employee you need to replace, what does it cost you to recruit, hire and train a replacement?

Below is a link to a cost of turnover calculator. Take a few minutes and figure out what it costs you every time an employee walks out and doesn't return.

<http://www.uwex.edu/ces/cced/publicat/turn.html#calc>

Setting A Hire Standard

This is the 4th of 5 Tips to Setting "A Hire Standard". Watch for Tip 5 in next month's issue.

Tip No 4. Use Only Professional, Valid Tests

- Even if evidence exists that an employer's hiring system has an adverse impact, the employer may still prevail if the selection procedure is valid and consistent with business necessity. Tests developed or selected by industrial/organizational psychologists for use in selecting candidates for a particular job are likely to be considered job-related by a court.

- The U.S. Department of Labor has encouraged the use of tests of this nature.

- By considering and documenting adverse impact and job relatedness and business necessity, employers should be in a good position to defend the legality of their employment assessments. The work up front will pay off with lower litigation expenses in the future and better performance and lower turnover as well.

Source: A Hire Standard, HR Magazine, July 2003

Executive Vacancies: Stormy Forecast

One-fifth of this country's large, established companies will be losing 40 percent or more of their top-level talent in the next five years.

The replacement pool of 35 to 44 year olds will decline by 15 percent during the same period.

Source: Development Dimensions International and U.S. Bureau of

Stormy Labor Forecast Facts

Companies spent 15 percent of payroll on absenteeism in 2002.

For an employer with 5,000 employees and an average pay base of \$40,000, that adds up to \$30 million a year.

Source: Mercer Human Resource Consulting and Workforce Magazine

Companies lose approximately 2.8 million workdays each because of injuries and illnesses.

Source: U.S. Bureau of Labor Statistics

Three to six percent of any given workforce is absent every day due to unscheduled issues or disability claims. To compensate most companies overstaff by 10 to 20 percent to mask lost productivity.

Source: Synchrony

83 percent of companies surveyed by CCH believe that unscheduled absenteeism is likely to stay the same or get worse in the next two years.

And now the rest of the story: Presenteeism

What is Presenteeism?

The feeling that one must show up for work even if one is too sick, stressed, or distracted to be productive; the feeling that one needs to work extra hours even if one has no extra work to do.

Clark A. Marcus in a Work/Life article described it well, "Presenteeism signifies that a number of employees, even those with perfect attendance records on the job, are nonetheless working with impairments and disabilities causing them to work less efficiently, resulting in employers losing as much as 32 times productivity from presenteeism as from absenteeism."

Humans are assets with feet

Fact #1: Since 2000, nearly one in five American workers was laid off from a full or part-time job.

A question of loyalty? I often hear how employees just aren't loyal anymore. But there are always two sides to every story.

- Two-thirds of employees laid off since 2000 have received less than two weeks notice from their employer.
- One-third were let go with no advance notice whatsoever.
- Only 16 percent of U.S. workers received two or months' notice of an impending job loss.
- The typical down-sized employee received no severance pay, job training support, extended health care, or career counseling

Source: Heldrich Center for Workforce Development

Have U.S. employers set themselves up for a mass exodus?

Fact #2:

- The demand for labor over the next decade will outpace supply by 35 million jobs.

Source: Employment Policy Foundation

- *American workers are working more hours than 20 years ago with men averaging 49.9 hours a week and women 44 hours. How long can productivity gains continue?*
- *86 percent of workers experience job stress and half of them describe the stress as "extreme fatigue" or "feeling out of control." The chief cause of stress is the workload, with many workers skipping work or just tuning out to cope.*

Source: ComPsych

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And you're waiting for what?

- Over one in three Americans will be over the age of 50
- One in five Americans will be past the 20th century's official age of retirement.
- Between now and 2040, the American population will add 26 million people 75 years and older—a total growth rate of 148%.
- There will be as many Americans 80 and older as there are Californians today.
- The size of the workforce between 30 and 44 is projected to shrink by over three million workers by 2010.
- Between 2011 and 2015, the number of workers in the 35-49 year age group will decline by almost 1.5 million.
- In 2030 to fill all the positions, 84% of the 55-75 year old population will be staying working.

Source: Beyond Workforce 2020

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